

04-CV-01330-CMP

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

TOTALLY CHOCOLATE INC., a
Washington corporation,

Plaintiff,

vs.

THE CHOCOLATE INN LTD., a New York
corporation,

Defendant.

No.:

C04-1330 RBL

COMPLAINT FOR TRADE DRESS
INFRINGEMENT, COPYRIGHT
INFRINGEMENT, VIOLATION OF
WASHINGTON CONSUMER
PROTECTION ACT, AND JURY
DEMAND

Plaintiff, by its attorneys, complains of Defendant The Chocolate Inn Ltd. and alleges
as follows, upon knowledge with respect to itself and its own acts, and upon information and
belief as to all other matters:

The Parties

1. Plaintiff Totally Chocolate Inc. ("Totally Chocolate") is a corporation
organized and existing under the laws of the state of Washington, having a place of business
at 1855 Pipeline Road, Blaine, Washington 98230.

COMPLAINT- 1

518.DOC

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2. On information and belief, Defendant The Chocolate Inn, Ltd. is a corporation organized and existing under the laws of the state of New York, having a place of business at 7 Bixley Heath, Lynbrook, New York 11563 ("Chocolate Inn").

Nature of Action and Subject Matter Jurisdiction

3. This is a civil action for false designation of origin, false description and false representation in commerce, and trade dress infringement arising under the trademark laws of the United States, 15 U.S.C. § 1051 *et seq.*; copyright infringement arising under the copyright laws of the United States, 17 U.S.C. § 101 *et seq.*; and related state claims for trademark infringement, trade dress infringement, unfair competition and other torts arising under the statutory and common law of Washington.

4. Subject matter jurisdiction over this action is conferred upon this Court pursuant to: (i) 28 U.S.C. §§ 1331, 1338, and 1367, and 15 U.S.C. § 1121, because the suit avers violations under the federal Lanham Act; (ii) 28 U.S.C. § 1332, because Plaintiff and Defendant are residents of different states and the amount in controversy exceeds \$75,000; and (iii) jurisdiction pendent and ancillary thereto.

Personal Jurisdiction and Venue

5. This Court has personal jurisdiction over Defendant as Defendant has committed acts in this District in furtherance of the claims alleged herein, and Defendant is generally doing and transacting business within this District. Venue is properly laid in this District pursuant to 28 U.S.C. § 1391, in that, on information and belief, Defendant is doing and transacting business within this District.

Background Facts

6. Totally Chocolate was founded in 1988. It designs and produces chocolate products for sale to businesses and companies. These businesses and companies use Totally Chocolate's products for such purposes as corporate gift-giving, customer appreciation, and sales promotion. Through its development of patented technology, Totally Chocolate is able to make remarkably detailed chocolate bars and custom-shaped chocolate products of all sizes quickly and at a reasonable cost.

7. Beginning at least as early as October 1999, Totally Chocolate has marketed and sold an original line of chocolate bars with unique trademarks and wrapper and product imprint designs (collectively, the "TCI Line"). In addition to its direct sales to businesses and companies, Totally Chocolate also sells the TCI Line through advertising specialty distributors under its "ChocolateChocolate" trade name. The TCI Line includes the following trademarks:

"THINK SAFETY!"
 "CONGRATULATIONS!"
 "MUCHAS GRACIAS!"
 "THANKS A MILLION!"
 "BITE BACK AT THE IRS!"
 "YOUR BUSINESS MEANS THE WORLD TO US"
 "T.G.I.F. THANK GOODNESS IT'S FRIDAY!"
 "WE CAN'T SPELL SUCCESS WITHOUT U!"

The designs consist of unique artwork with specially selected coloring. The trademarks and designs in the TCI Line constitute Totally Chocolate's protectable trade dress, and are featured on Totally Chocolate's packaging as well as etched into the chocolate bars themselves. True and correct copies of the trademarks and designs which comprise the TCI Line are attached hereto as Exhibit "A".

1 8. The TCI Line is inherently distinctive of Totally Chocolate as the source of
2 these products. Totally Chocolate's continuous and exclusive use, advertising, and promotion
3 of the TCI Line has created substantial secondary meaning in the minds of the relevant
4 consuming public and the trade, and the TCI Line has come to symbolize Totally Chocolate's
5 substantial goodwill and fine reputation.

6 9. The designs in the TCI Line constitute original works of authorship which are
7 protected under the copyright laws of the United States. Totally Chocolate is the owner of
8 copyright applications filed in the U.S. Copyright Office for each of these designs. True and
9 correct copies of these copyright applications are attached hereto as Exhibit "B."

10 10. Chocolate Inn is a direct competitor of Totally Chocolate in the sale of
11 chocolate products to business customers for use in corporate gift-giving, customer
12 appreciation and sales promotion.

13 11. Upon information and belief, Chocolate Inn, without Totally Chocolate's
14 authorization, is offering for sale chocolate bars featuring trademarks and/or designs which
15 Chocolate Inn has directly copied from the TCI Line (the "Infringing Packaging"). True and
16 correct copies of the Infringing Packaging are attached hereto as Exhibit "C." Specifically,
17 Chocolate Inn's products bear identical trademarks, and/or highly similar color selections and
18 artwork, in relation to the corresponding packages and chocolate bars in the TCI Line. A
19 comparison of the trademarks and designs for the parties' respective products is attached
20 hereto as Exhibit "D."

21 12. Upon information and belief, the Infringing Packaging is advertised and
22 promoted in Chocolate Inn's catalogues and on several Internet web sites, and is currently
23 being sold by Defendant.

13. Chocolate Inn's Infringing Packaging is confusingly and substantially similar to the TCI Line.

14. Upon information and belief, Defendant intentionally chose the Infringing Packaging with full knowledge of the TCI Line. It is inconceivable that eight distinct product packages in the TCI Line could have been developed independently, or copied inadvertently, by Defendant.

CLAIM I
FALSE DESIGNATION OF ORIGIN, FALSE REPRESENTATION
AND FALSE ADVERTISING
(FEDERAL)

15. This claim is to remedy acts of false designation of origin, false description and representation, and false advertising in commerce, and arises under 15 U.S.C. § 1125(a).

16. Totally Chocolate repeats and realleges each and every allegation contained in paragraphs 1 through 14 of this Complaint as though fully set forth herein.

17. Defendant's activities constitute false designation of origin, false description and representation, and false advertising in commerce. Because of the confusing similarities between the TCI Line and Defendant's Infringing Packaging, purchasers familiar with Totally Chocolate's chocolate bar products would likely assume that the chocolate bar products provided by Chocolate Inn originate with Totally Chocolate, or that there is some affiliation between the parties, or that Totally Chocolate has sponsored, endorsed, or approved of Chocolate Inn's Infringing Packaging.

18. Accordingly, Defendant's activities constitute the violation of Section 43(a) of the Trademark Act of 1946 (15 U.S.C. § 1125(a)).

19. Defendant's acts of false designation of origin, false description and representation, and false advertising have caused Totally Chocolate to sustain monetary damage, loss and injury, in an amount to be determined at the time of trial.

20. On information and belief, Defendant has engaged and continues to engage in these activities knowingly and willfully, so as to justify the assessment of treble damages against it, under 15 U.S.C. § 1117, in an amount to be determined at the time of trial.

21. Defendant's acts of false designation of origin, false description and representation, and false advertising, unless enjoined by this Court, will continue to cause Totally Chocolate to sustain irreparable damage, loss and injury, for which Totally Chocolate has no adequate remedy at law.

CLAIM II
TRADEMARK INFRINGEMENT, TRADE DRESS INFRINGEMENT,
AND UNFAIR COMPETITION (COMMON LAW)

22. This claim is to remedy acts of trademark infringement, trade dress infringement, unfair competition, misappropriation and dilution under the common law.

23. Totally Chocolate repeats and realleges each and every allegation contained in paragraphs 1 through 14 of this Complaint as though fully set forth herein.

24. On information and belief, Defendant is aware, and has been well aware, that the trade and relevant purchasing public recognize and rely upon the trademarks, designs and trade dress of the TCI Line to identify Totally Chocolate as the source of goods featuring such trademarks, designs and trade dress, and to distinguish these goods from the goods of others.

1 25. Defendant manufactures, distributes and sells, and/or actively induces the
2 manufacture, distribution and sale of, chocolate bar products and packaging which copy and
3 confusingly simulate the TCI Line.

4 26. The visual features of Defendant's chocolate bar products so incorporate the
5 distinctive elements of the TCI Line that they are likely to cause (and are calculated and
6 designed to cause) confusion, mistake, and to deceive.

7 27. Defendant's unlawful activities are likely to cause confusion and mistake
8 between Defendant and/or its goods and Totally Chocolate and/or its goods, and such
9 activities by Defendant therefore infringe the valuable common law trademark and trade dress
10 rights of Totally Chocolate in the TCI Line.

11 28. Defendant's activities also constitute unfair competition with Totally
12 Chocolate by creating a likelihood of confusion as to the source or sponsorship of
13 Defendant's goods; misappropriate and trade upon the fine reputation and goodwill of Totally
14 Chocolate in the TCI Line, thereby injuring that reputation and goodwill; dilute the rights of
15 Totally Chocolate in and to the TCI Line; and unjustly divert from Totally Chocolate to
16 Defendant the benefits arising therefrom.

17 29. Defendant's unlawful activities constitute trademark infringement, trade dress
18 infringement, unfair competition, misappropriation and dilution as proscribed by the common
19 law.

20 30. Defendant's acts of trademark infringement, trade dress infringement, unfair
21 competition, misappropriation and dilution have caused Totally Chocolate to sustain monetary
22 damage, loss and injury, in an amount to be determined at the time of trial.

31. On information and belief, Defendant has engaged and continues to engage in these activities knowingly and willfully, so as to justify the assessment of increased and punitive damages against it, in an amount to be determined at the time of trial.

32. Defendant's acts of trademark infringement, trade dress infringement, unfair competition, misappropriation and dilution, unless enjoined by this Court, will continue to cause Totally Chocolate to sustain irreparable damage, loss and injury, for which Totally Chocolate has no adequate remedy at law.

CLAIM III
COPYRIGHT INFRINGEMENT (FEDERAL LAW)

33. This claim is to remedy acts of copyright infringement in violation of 17 U.S.C. § 101, *et seq.*

34. Totally Chocolate repeats and realleges each and every allegation contained in paragraphs 1 through 14 of this Complaint as though fully set forth herein.

35. Totally Chocolate exclusively owns and controls all right, title, and interest in and to the copyrights for each of the designs of the TCI Line.

36. Totally Chocolate has been the sole owner of all right, title and interest in and to the copyrights for each of the designs of the TCI Line since creation of such works.

37. Totally Chocolate has not authorized Defendant to copy or publish any of the designs of the TCI Line.

38. Totally Chocolate has complied in all respects with the copyright laws of the United States. Totally Chocolate has secured the exclusive rights and privileges to the copyrights of the designs which comprise the TCI Line, and has applied to the Register of Copyrights for Certificates of Registration for each of the designs of the TCI Line.

1 39. Defendant has infringed, and continues to infringe, said copyrights by
2 producing, distributing, selling and offering for sale the Infringing Packaging.

3 40. The aforesaid acts of Defendant constitute infringement of Totally Chocolate's
4 copyright rights in the TCI Line.

5 41. Defendant's acts of copyright infringement have caused Totally Chocolate to
6 sustain monetary damage, loss and injury, in an amount to be determined at the time of trial.

7 42. Upon information and belief, the aforesaid acts of Defendant have been willful,
8 wanton, and deliberate, and with full knowledge of the unlawful nature thereof.

9 43. Defendant's acts of copyright infringement, unless enjoined by this Court, will
10 continue to cause Totally Chocolate to sustain irreparable damage, loss and injury, for which
11 Totally Chocolate has no adequate remedy at law.
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15 **CLAIM IV**
16 **UNFAIR COMPETITION AND PRACTICES (STATE)**

17 44. This claim is to remedy Defendant's acts of unfair competition and related
18 practices under Washington state law, and arises under RCW § 19.86, *et seq.*

19 45. Totally Chocolate repeats and realleges each and every allegation contained in
20 paragraphs 1 through 14 of this Complaint as though fully set forth herein.

21 46. Defendant's aforesaid activities constitute unfair and deceptive acts or
22 practices in the conduct of business, trade or commerce in the state of Washington, in
23 violation of RCW § 19.86, *et seq.*
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47. Defendant engaged in unfair and deceptive acts or practices by copying the designs of the TCI Line, thereby creating public confusion as to the source of the products, and injuring Totally Chocolate's reputation and goodwill.

48. Defendant's acts offend the public; are unethical, oppressive and unscrupulous; and affect trade and commerce now and in the future, both within the state of Washington, and elsewhere.

49. Defendant's acts of unfair competition have caused Totally Chocolate to sustain monetary damage, loss and injury, in an amount to be determined at the time of trial.

50. On information and belief, Defendant has engaged and continues to engage in these activities knowingly and willfully, so as to justify the assessment of punitive damages against it, in an amount to be determined at the time of trial.

51. Defendant's acts of unfair competition, unless enjoined by this Court, will continue to cause Totally Chocolate to sustain irreparable damage, loss and injury, for which Totally Chocolate has no adequate remedy at law.

Prayer for Relief

WHEREFORE, Plaintiff Totally Chocolate Inc. prays for an order and judgment:

A. That defendant The Chocolate Inn, Ltd., its agents, servants, employees, and attorneys, and those persons in active concert or participation with it and anyone else who receives actual notice of the Order by personal service or otherwise, be enjoined preliminarily and permanently from:

1. using the trademarks of the TCI Line, or reproductions, counterfeits, copies, colorable imitations, or confusingly similar variations thereof, as trademarks,

1 service marks or trade names in connection with the manufacture, distribution, sale,
2 offer for sale, rendering, advertisement or promotion of chocolate bar products or
3 related goods;

4 2. using the designs of the TCI Line, or reproductions, counterfeits,
5 copies, colorable imitations, or confusingly similar variations thereof, in connection
6 with the manufacture, distribution, sale, offer for sale, rendering, advertisement or
7 promotion of chocolate bar products or related goods;

8 3. using any trademark, service mark, trade name or trade dress which is
9 likely to cause confusion, mistake or deception with respect to any trademarks, service
10 marks, trade names, or trade dress of Totally Chocolate;

11 4. engaging in acts of false designation of origin, false representation,
12 false advertising, trademark infringement, trade dress infringement, unfair
13 competition, misappropriation or dilution which would damage or injure Totally
14 Chocolate;

15 5. engaging in acts of copyright infringement with respect to the designs
16 of the TCI Line;

17 6. engaging in any unfair or deceptive trade practices causing injury to the
18 business reputation of Totally Chocolate;

19 7. trading upon or appropriating the goodwill and business reputation of
20 Totally Chocolate; or

21 8. inducing, encouraging, aiding, abetting or contributing to any of the
22 aforesaid acts.
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1 B. That Defendant file with the Court and serve on counsel for Totally Chocolate,
2 within thirty (30) days after service on Defendant of such Order, or within such extended
3 period of time as the Court may direct, a report in writing and under oath, setting forth in
4 detail the manner and form in which Defendant has complied with the Order.

5 C. That all products, wrappers, promotional items, catalogs, marketing materials,
6 packaging, stationery, business cards, advertisements (including audio or video tapes, scripts
7 or transcripts), contracts, invoices, documents and the like in the possession or under the
8 control of Defendant, and all plates, molds, matrices, negatives, masters and other means of
9 making same, which might, if used, violate the Order herein granted, be delivered up and
10 destroyed as the Court shall direct.

11 D. That Totally Chocolate be awarded monetary relief arising out of Defendant's
12 false designation of origin, false representation, false advertising, trademark infringement,
13 trade dress infringement, copyright infringement, unfair competition, misappropriation,
14 dilution and other unlawful acts, in amounts to be determined at the time of trial.

15 E. That the monetary award for Defendant's acts of false designation of origin,
16 false representation and false advertising be increased pursuant to 15 U.S.C. § 1117.

17 F. That the monetary awards for Defendant's acts of unfair competition and
18 related practices under Washington state law be trebled pursuant to RCW § 19.86.090.

19 G. That Totally Chocolate be awarded the costs of this civil action together with
20 its reasonable attorneys' fees.

21 H. That Totally Chocolate be granted such other and further relief as the Court
22 may deem equitable and proper.

Jury Demand

Totally Chocolate Inc. requests a jury trial on all issues so triable.

Dated this 7th day of June, 2004

HALLISKY LAW GROUP, P.L.L.C.



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